

1                   **PUBLIC INFRASTRUCTURE DISTRICT REVISIONS**

2                                   2021 GENERAL SESSION

3                                   STATE OF UTAH

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5 **LONG TITLE**

6 **General Description:**

7           This bill modifies provisions related to public infrastructure districts.

8 **Highlighted Provisions:**

9           This bill:

- 10           ▶ renumbers provisions related to public infrastructure districts; and
- 11           ▶ makes technical and conforming changes.

12 **Money Appropriated in this Bill:**

13           None

14 **Other Special Clauses:**

15           None

16 **Utah Code Sections Affected:**

17 **AMENDS:**

- 18           **11-42-102**, as last amended by Laws of Utah 2020, Chapter 282
- 19           **11-42-106**, as last amended by Laws of Utah 2020, Chapter 282
- 20           **11-42-201**, as last amended by Laws of Utah 2019, Chapter 490
- 21           **11-42-411**, as last amended by Laws of Utah 2020, Chapter 282
- 22           **17B-1-102**, as last amended by Laws of Utah 2019, Chapter 490
- 23           **17B-1-1102**, as last amended by Laws of Utah 2019, Chapter 490
- 24           **59-2-1317**, as last amended by Laws of Utah 2019, Chapters 207 and 490
- 25           **63H-1-102**, as last amended by Laws of Utah 2020, Chapter 282

26 **RENUMBERS AND AMENDS:**

- 27           **17D-4-101**, (Renumbered from 17B-2a-1201, as enacted by Laws of Utah 2019,
- 28           Chapter 490)
- 29           **17D-4-102**, (Renumbered from 17B-2a-1202, as last amended by Laws of Utah 2020,
- 30           Chapters 282 and 397)
- 31           **17D-4-103**, (Renumbered from 17B-2a-1203, as enacted by Laws of Utah 2019,

32 Chapter 490)  
33 **17D-4-201**, (Renumbered from 17B-2a-1204, as last amended by Laws of Utah 2020,  
34 Chapters 282 and 397)  
35 **17D-4-202**, (Renumbered from 17B-2a-1205, as last amended by Laws of Utah 2020,  
36 Chapters 282 and 397)  
37 **17D-4-203**, (Renumbered from 17B-2a-1206, as last amended by Laws of Utah 2020,  
38 Chapter 282)  
39 **17D-4-204**, (Renumbered from 17B-2a-1211, as enacted by Laws of Utah 2019,  
40 Chapter 490)  
41 **17D-4-205**, (Renumbered from 17B-2a-1212, as enacted by Laws of Utah 2019,  
42 Chapter 490)  
43 **17D-4-301**, (Renumbered from 17B-2a-1207, as last amended by Laws of Utah 2020,  
44 Chapters 354 and 397)  
45 **17D-4-302**, (Renumbered from 17B-2a-1208, as enacted by Laws of Utah 2019,  
46 Chapter 490)  
47 **17D-4-303**, (Renumbered from 17B-2a-1209, as enacted by Laws of Utah 2019,  
48 Chapter 490)  
49 **17D-4-304**, (Renumbered from 17B-2a-1210, as enacted by Laws of Utah 2019,  
50 Chapter 490)  
51 **17D-4-305**, (Renumbered from 17B-2a-1213, as enacted by Laws of Utah 2019,  
52 Chapter 490)

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54 *Be it enacted by the Legislature of the state of Utah:*

55 Section 1. Section **11-42-102** is amended to read:

56 **11-42-102. Definitions.**

57 (1) As used in this chapter:

58 (a) "Adequate protests" means, for all proposed assessment areas except sewer  
59 assessment areas, timely filed, written protests under Section 11-42-203 that represent at least  
60 40% of the frontage, area, taxable value, fair market value, lots, number of connections, or  
61 equivalent residential units of the property proposed to be assessed, according to the same  
62 assessment method by which the assessment is proposed to be levied, after eliminating:

- 63 (i) protests relating to:
- 64 (A) property that has been deleted from a proposed assessment area; or
- 65 (B) an improvement that has been deleted from the proposed improvements to be
- 66 provided to property within the proposed assessment area; and
- 67 (ii) protests that have been withdrawn under Subsection 11-42-203(3).
- 68 (b) "Adequate protests" means, for a proposed sewer assessment area, timely filed,
- 69 written protests under Section 11-42-203 that represent at least 70% of the frontage, area,
- 70 taxable value, fair market value, lots, number of connections, or equivalent residential units of
- 71 the property proposed to be assessed, according to the same assessment method by which the
- 72 assessment is proposed to be levied, after eliminating adequate protests under Subsection
- 73 (1)(a).
- 74 (2) "Assessment area" means an area, or, if more than one area is designated, the
- 75 aggregate of all areas within a local entity's jurisdictional boundaries that is designated by a
- 76 local entity under Part 2, Designating an Assessment Area, for the purpose of financing the
- 77 costs of improvements, operation and maintenance, or economic promotion activities that
- 78 benefit property within the area.
- 79 (3) "Assessment bonds" means bonds that are:
- 80 (a) issued under Section 11-42-605; and
- 81 (b) payable in part or in whole from assessments levied in an assessment area,
- 82 improvement revenues, and a guaranty fund or reserve fund.
- 83 (4) "Assessment fund" means a special fund that a local entity establishes under
- 84 Section 11-42-412.
- 85 (5) "Assessment lien" means a lien on property within an assessment area that arises
- 86 from the levy of an assessment, as provided in Section 11-42-501.
- 87 (6) "Assessment method" means the method:
- 88 (a) by which an assessment is levied against benefitted property, whether by frontage,
- 89 area, taxable value, fair market value, lot, parcel, number of connections, equivalent residential
- 90 unit, any combination of these methods, or any other method; and
- 91 (b) that, when applied to a benefitted property, accounts for an assessment that meets
- 92 the requirements of Section 11-42-409.
- 93 (7) "Assessment ordinance" means an ordinance adopted by a local entity under

94 Section 11-42-404 that levies an assessment on benefitted property within an assessment area.

95 (8) "Assessment resolution" means a resolution adopted by a local entity under Section  
96 11-42-404 that levies an assessment on benefitted property within an assessment area.

97 (9) "Benefitted property" means property within an assessment area that directly or  
98 indirectly benefits from improvements, operation and maintenance, or economic promotion  
99 activities.

100 (10) "Bond anticipation notes" means notes issued under Section 11-42-602 in  
101 anticipation of the issuance of assessment bonds.

102 (11) "Bonds" means assessment bonds and refunding assessment bonds.

103 (12) "Commercial area" means an area in which at least 75% of the property is devoted  
104 to the interchange of goods or commodities.

105 (13) (a) "Commercial or industrial real property" means real property used directly or  
106 indirectly or held for one of the following purposes or activities, regardless of whether the  
107 purpose or activity is for profit:

108 (i) commercial;

109 (ii) mining;

110 (iii) industrial;

111 (iv) manufacturing;

112 (v) governmental;

113 (vi) trade;

114 (vii) professional;

115 (viii) a private or public club;

116 (ix) a lodge;

117 (x) a business; or

118 (xi) a similar purpose.

119 (b) "Commercial or industrial real property" includes real property that:

120 (i) is used as or held for dwelling purposes; and

121 (ii) contains more than four rental units.

122 (14) "Connection fee" means a fee charged by a local entity to pay for the costs of  
123 connecting property to a publicly owned sewer, storm drainage, water, gas, communications, or  
124 electrical system, whether or not improvements are installed on the property.

- 125 (15) "Contract price" means:
- 126 (a) the cost of acquiring an improvement, if the improvement is acquired; or
- 127 (b) the amount payable to one or more contractors for the design, engineering,
- 128 inspection, and construction of an improvement.
- 129 (16) "Designation ordinance" means an ordinance adopted by a local entity under
- 130 Section 11-42-206 designating an assessment area.
- 131 (17) "Designation resolution" means a resolution adopted by a local entity under
- 132 Section 11-42-206 designating an assessment area.
- 133 (18) "Economic promotion activities" means activities that promote economic growth
- 134 in a commercial area of a local entity, including:
- 135 (a) sponsoring festivals and markets;
- 136 (b) promoting business investment or activities;
- 137 (c) helping to coordinate public and private actions; and
- 138 (d) developing and issuing publications designed to improve the economic well-being
- 139 of the commercial area.
- 140 (19) "Environmental remediation activity" means a surface or subsurface enhancement,
- 141 effort, cost, initial or ongoing maintenance expense, facility, installation, system, earth
- 142 movement, or change to grade or elevation that improves the use, function, aesthetics, or
- 143 environmental condition of publicly owned property.
- 144 (20) "Equivalent residential unit" means a dwelling, unit, or development that is equal
- 145 to a single-family residence in terms of the nature of its use or impact on an improvement to be
- 146 provided in the assessment area.
- 147 (21) "Governing body" means:
- 148 (a) for a county, city, or town, the legislative body of the county, city, or town;
- 149 (b) for a local district, the board of trustees of the local district;
- 150 (c) for a special service district:
- 151 (i) the legislative body of the county, city, or town that established the special service
- 152 district, if no administrative control board has been appointed under Section 17D-1-301; or
- 153 (ii) the administrative control board of the special service district, if an administrative
- 154 control board has been appointed under Section 17D-1-301;
- 155 (d) for the military installation development authority created in Section 63H-1-201,

156 the board, as defined in Section 63H-1-102; and

157 (e) for the Utah Inland Port Authority, created in Section 11-58-201, the board, as  
158 defined in Section 11-58-102.

159 (22) "Guaranty fund" means the fund established by a local entity under Section  
160 11-42-701.

161 (23) "Improved property" means property upon which a residential, commercial, or  
162 other building has been built.

163 (24) "Improvement":

164 (a) (i) means a publicly owned infrastructure, facility, system, or environmental  
165 remediation activity that:

166 (A) a local entity is authorized to provide;

167 (B) the governing body of a local entity determines is necessary or convenient to  
168 enable the local entity to provide a service that the local entity is authorized to provide; or

169 (C) a local entity is requested to provide through an interlocal agreement in accordance  
170 with Chapter 13, Interlocal Cooperation Act; and

171 (ii) includes facilities in an assessment area, including a private driveway, an irrigation  
172 ditch, and a water turnout, that:

173 (A) can be conveniently installed at the same time as an infrastructure, system, or other  
174 facility described in Subsection (24)(a)(i); and

175 (B) are requested by a property owner on whose property or for whose benefit the  
176 infrastructure, system, or other facility is being installed; or

177 (b) for a local district created to assess groundwater rights in accordance with Section  
178 17B-1-202, means a system or plan to regulate groundwater withdrawals within a specific  
179 groundwater basin in accordance with Sections 17B-1-202 and 73-5-15.

180 (25) "Improvement revenues":

181 (a) means charges, fees, impact fees, or other revenues that a local entity receives from  
182 improvements; and

183 (b) does not include revenue from assessments.

184 (26) "Incidental refunding costs" means any costs of issuing refunding assessment  
185 bonds and calling, retiring, or paying prior bonds, including:

186 (a) legal and accounting fees;

187 (b) charges of financial advisors, escrow agents, certified public accountant verification  
188 entities, and trustees;

189 (c) underwriting discount costs, printing costs, the costs of giving notice;

190 (d) any premium necessary in the calling or retiring of prior bonds;

191 (e) fees to be paid to the local entity to issue the refunding assessment bonds and to  
192 refund the outstanding prior bonds;

193 (f) any other costs that the governing body determines are necessary and proper to incur  
194 in connection with the issuance of refunding assessment bonds; and

195 (g) any interest on the prior bonds that is required to be paid in connection with the  
196 issuance of the refunding assessment bonds.

197 (27) "Installment payment date" means the date on which an installment payment of an  
198 assessment is payable.

199 (28) "Interim warrant" means a warrant issued by a local entity under Section  
200 11-42-601.

201 (29) "Jurisdictional boundaries" means:

202 (a) for a county, the boundaries of the unincorporated area of the county; and

203 (b) for each other local entity, the boundaries of the local entity.

204 (30) "Local district" means a local district under Title 17B, Limited Purpose Local  
205 Government Entities - Local Districts.

206 (31) "Local entity" means:

207 (a) a county, city, town, special service district, or local district;

208 (b) an interlocal entity as defined in Section 11-13-103;

209 (c) the military installation development authority, created in Section 63H-1-201;

210 (d) a public infrastructure district created by the military installation development  
211 authority under [~~Title 17B, Chapter 2a, Part 12~~] Title 17D, Chapter 4, Public Infrastructure  
212 District Act;

213 (e) the Utah Inland Port Authority, created in Section 11-58-201; or

214 (f) any other political subdivision of the state.

215 (32) "Local entity obligations" means assessment bonds, refunding assessment bonds,  
216 interim warrants, and bond anticipation notes issued by a local entity.

217 (33) "Mailing address" means:

218 (a) a property owner's last-known address using the name and address appearing on the  
219 last completed real property assessment roll of the county in which the property is located; and

220 (b) if the property is improved property:

221 (i) the property's street number; or

222 (ii) the post office box, rural route number, or other mailing address of the property, if  
223 a street number has not been assigned.

224 (34) "Net improvement revenues" means all improvement revenues that a local entity  
225 has received since the last installment payment date, less all amounts payable by the local entity  
226 from those improvement revenues for operation and maintenance costs.

227 (35) "Operation and maintenance costs":

228 (a) means the costs that a local entity incurs in operating and maintaining  
229 improvements in an assessment area, whether or not those improvements have been financed  
230 under this chapter; and

231 (b) includes service charges, administrative costs, ongoing maintenance charges, and  
232 tariffs or other charges for electrical, water, gas, or other utility usage.

233 (36) "Overhead costs" means the actual costs incurred or the estimated costs to be  
234 incurred by a local entity in connection with an assessment area for appraisals, legal fees, filing  
235 fees, financial advisory charges, underwriting fees, placement fees, escrow, trustee, and paying  
236 agent fees, publishing and mailing costs, costs of levying an assessment, recording costs, and  
237 all other incidental costs.

238 (37) "Prior assessment ordinance" means the ordinance levying the assessments from  
239 which the prior bonds are payable.

240 (38) "Prior assessment resolution" means the resolution levying the assessments from  
241 which the prior bonds are payable.

242 (39) "Prior bonds" means the assessment bonds that are refunded in part or in whole by  
243 refunding assessment bonds.

244 (40) "Project engineer" means the surveyor or engineer employed by or the private  
245 consulting engineer engaged by a local entity to perform the necessary engineering services for  
246 and to supervise the construction or installation of the improvements.

247 (41) "Property" includes real property and any interest in real property, including water  
248 rights and leasehold rights.

249 (42) "Property price" means the price at which a local entity purchases or acquires by  
250 eminent domain property to make improvements in an assessment area.

251 (43) "Provide" or "providing," with reference to an improvement, includes the  
252 acquisition, construction, reconstruction, renovation, maintenance, repair, operation, and  
253 expansion of an improvement.

254 (44) "Public agency" means:

255 (a) the state or any agency, department, or division of the state; and

256 (b) a political subdivision of the state.

257 (45) "Reduced payment obligation" means the full obligation of an owner of property  
258 within an assessment area to pay an assessment levied on the property after the assessment has  
259 been reduced because of the issuance of refunding assessment bonds, as provided in Section  
260 11-42-608.

261 (46) "Refunding assessment bonds" means assessment bonds that a local entity issues  
262 under Section 11-42-607 to refund, in part or in whole, assessment bonds.

263 (47) "Reserve fund" means a fund established by a local entity under Section  
264 11-42-702.

265 (48) "Service" means:

266 (a) water, sewer, storm drainage, garbage collection, library, recreation,  
267 communications, or electric service;

268 (b) economic promotion activities; or

269 (c) any other service that a local entity is required or authorized to provide.

270 (49) (a) "Sewer assessment area" means an assessment area that has as the assessment  
271 area's primary purpose the financing and funding of public improvements to provide sewer  
272 service where there is, in the opinion of the local board of health, substantial evidence of septic  
273 system failure in the defined area due to inadequate soils, high water table, or other factors  
274 proven to cause failure.

275 (b) "Sewer assessment area" does not include property otherwise located within the  
276 assessment area:

277 (i) on which an approved conventional or advanced wastewater system has been  
278 installed during the previous five calendar years;

279 (ii) for which the local health department has inspected the system described in

280 Subsection (49)(b)(i) to ensure that the system is functioning properly; and  
 281 (iii) for which the property owner opts out of the proposed assessment area for the  
 282 earlier of a period of 10 calendar years or until failure of the system described in Subsection  
 283 (49)(b)(i).

284 (50) "Special service district" means the same as that term is defined in Section  
 285 17D-1-102.

286 (51) "Unassessed benefitted government property" means property that a local entity  
 287 may not assess in accordance with Section 11-42-408 but is benefitted by an improvement,  
 288 operation and maintenance, or economic promotion activities.

289 (52) "Unimproved property" means property upon which no residential, commercial, or  
 290 other building has been built.

291 (53) "Voluntary assessment area" means an assessment area that contains only property  
 292 whose owners have voluntarily consented to an assessment.

293 Section 2. Section **11-42-106** is amended to read:

294 **11-42-106. Action to contest assessment or proceeding -- Requirements --**

295 **Exclusive remedy -- Bonds and assessment incontestable.**

296 (1) A person who contests an assessment or any proceeding to designate an assessment  
 297 area or levy an assessment may commence a civil action against the local entity to:

298 (a) set aside a proceeding to designate an assessment area; or

299 (b) enjoin the levy or collection of an assessment.

300 (2) (a) Each action under Subsection (1) shall be commenced in the district court with  
 301 jurisdiction in the county in which the assessment area is located.

302 (b) (i) Except as provided in Subsection (2)(b)(ii), an action under Subsection (1) may  
 303 not be commenced against and a summons relating to the action may not be served on the local  
 304 entity more than 60 days after the effective date of the:

305 (A) designation resolution or designation ordinance, if the challenge is to the  
 306 designation of an assessment area;

307 (B) assessment resolution or ordinance, if the challenge is to an assessment; or

308 (C) amended resolution or ordinance, if the challenge is to an amendment.

309 (ii) The period for commencing an action and serving a summons under Subsection

310 (2)(b)(i) is 30 days if the designation resolution, assessment resolution, or amended resolution

311 was:

312 (A) adopted by the military installation development authority, created in Section  
313 63H-1-201, or a public infrastructure district created by the military installation development  
314 authority under [~~Title 17B, Chapter 2a, Part 12~~] Title 17D, Chapter 4, Public Infrastructure  
315 District Act; and

316 (B) all owners of property within the assessment area or proposed assessment area  
317 consent in writing to the designation resolution, assessment resolution, or amended resolution.

318 (3) (a) An action under Subsection (1) is the exclusive remedy of a person who:

319 (i) claims an error or irregularity in an assessment or in any proceeding to designate an  
320 assessment area or levy an assessment; or

321 (ii) challenges a bondholder's right to repayment.

322 (b) A court may not hear any complaint under Subsection (1) that a person was  
323 authorized to make but did not make in a protest under Section 11-42-203 or at a hearing under  
324 Section 11-42-204.

325 (c) (i) If a person has not brought a claim for which the person was previously  
326 authorized to bring but is otherwise barred from making under Subsection (2)(b), the claim  
327 may not be brought later because of an amendment to the resolution or ordinance unless the  
328 claim arises from the amendment itself.

329 (ii) In an action brought pursuant to Subsection (1), a person may not contest a  
330 previous decision, proceeding, or determination for which the service deadline described in  
331 Subsection (2)(b) has expired by challenging a subsequent decision, proceeding, or  
332 determination.

333 (4) An assessment or a proceeding to designate an assessment area or to levy an  
334 assessment may not be declared invalid or set aside in part or in whole because of an error or  
335 irregularity that does not go to the equity or justice of the proceeding or the assessment meeting  
336 the requirements of Section 11-42-409.

337 (5) After the expiration of the period referred to in Subsection (2)(b):

338 (a) assessment bonds and refunding assessment bonds issued or to be issued with  
339 respect to an assessment area and assessments levied on property in the assessment area  
340 become at that time incontestable against all persons who have not commenced an action and  
341 served a summons as provided in this section; and

342 (b) a suit to enjoin the issuance or payment of assessment bonds or refunding  
343 assessment bonds, the levy, collection, or enforcement of an assessment, or to attack or  
344 question in any way the legality of assessment bonds, refunding assessment bonds, or an  
345 assessment may not be commenced, and a court may not inquire into those matters.

346 (6) (a) This section may not be interpreted to insulate a local entity from a claim of  
347 misuse of assessment funds after the expiration of the period described in Subsection (2)(b).

348 (b) (i) Except as provided in Subsection (6)(b)(ii), an action in the nature of mandamus  
349 is the sole form of relief available to a party challenging the misuse of assessment funds.

350 (ii) The limitation in Subsection (6)(b)(i) does not prohibit the filing of criminal  
351 charges against or the prosecution of a party for the misuse of assessment funds.

352 Section 3. Section **11-42-201** is amended to read:

353 **11-42-201. Resolution or ordinance designating an assessment area --**

354 **Classifications within an assessment area -- Preconditions to adoption of a resolution or**  
355 **ordinance.**

356 (1) (a) Subject to the requirements of this part, a governing body of a local entity  
357 intending to levy an assessment on property to pay some or all of the cost of providing  
358 improvements benefitting the property, performing operation and maintenance benefitting the  
359 property, or conducting economic promotion activities benefitting the property shall adopt a  
360 resolution or ordinance designating an assessment area.

361 (b) A designation resolution or designation ordinance described in Subsection (1)(a)  
362 may divide the assessment area into multiple classifications to allow the governing body to:

363 (i) levy a different level of assessment; or

364 (ii) use a different assessment method in each classification to reflect more fairly the  
365 benefits that property within the different classifications is expected to receive because of the  
366 proposed improvement, operation and maintenance, or economic promotion activities.

367 (c) The boundaries of a proposed assessment area:

368 (i) may include property that is not intended to be assessed; and

369 (ii) except for an assessment area within a public infrastructure district as defined in  
370 Section 17B-1-102 and created under Title 17D, Chapter 4, Public Infrastructure District Act,  
371 may not be coextensive or substantially coterminous with the boundaries of the local entity.

372 (2) Before adopting a designation resolution or designation ordinance described in

373 Subsection (1)(a), the governing body of the local entity shall:

374 (a) give notice as provided in Section 11-42-202;

375 (b) receive and consider all protests filed under Section 11-42-203; and

376 (c) hold a public hearing as provided in Section 11-42-204.

377 Section 4. Section **11-42-411** is amended to read:

378 **11-42-411. Installment payment of assessments.**

379 (1) (a) In an assessment resolution or ordinance, the governing body may, subject to

380 Subsection (1)(b), provide that some or all of the assessment be paid in installments over a

381 period:

382 (i) not to exceed 20 years from the effective date of the resolution or ordinance, except  
383 as provided in Subsection (1)(a)(ii); or

384 (ii) not to exceed 30 years from the effective date of the resolution, for a resolution  
385 adopted by:

386 (A) the military installation development authority, created in Section 63H-1-201; or

387 (B) a public infrastructure district created by the military installation development  
388 authority under [~~Title 17B, Chapter 2a, Part 12~~] Title 17D, Chapter 4, Public Infrastructure  
389 District Act.

390 (b) If an assessment resolution or ordinance provides that some or all of the assessment  
391 be paid in installments for a period exceeding 10 years from the effective date of the resolution  
392 or ordinance, the governing body:

393 (i) shall make a determination that:

394 (A) the improvement for which the assessment is made has a reasonable useful life for  
395 the full period during which installments are to be paid; or

396 (B) it would be in the best interests of the local entity and the property owners for  
397 installments to be paid for more than 10 years; and

398 (ii) may provide in the resolution or ordinance that no assessment is payable during  
399 some or all of the period ending three years after the effective date of the resolution or  
400 ordinance.

401 (2) An assessment resolution or ordinance that provides for the assessment to be paid  
402 in installments may provide that the unpaid balance be paid over the period of time that  
403 installments are payable:

- 404 (a) in substantially equal installments of principal; or  
405 (b) in substantially equal installments of principal and interest.
- 406 (3) (a) Each assessment resolution or ordinance that provides for the assessment to be  
407 paid in installments shall, subject to Subsections (3)(b) and (c), provide that the unpaid balance  
408 of the assessment bear interest at a fixed rate, variable rate, or a combination of fixed and  
409 variable rates, as determined by the governing body, from the effective date of the resolution or  
410 ordinance or another date specified in the resolution or ordinance.
- 411 (b) If the assessment is for operation and maintenance costs or for the costs of  
412 economic promotion activities:
- 413 (i) a local entity may charge interest only from the date each installment is due; and  
414 (ii) the first installment of an assessment shall be due 15 days after the effective date of  
415 the assessment resolution or ordinance.
- 416 (c) If an assessment resolution or ordinance provides for the unpaid balance of the  
417 assessment to bear interest at a variable rate, the assessment resolution or ordinance shall  
418 specify:
- 419 (i) the basis upon which the rate is to be determined from time to time;  
420 (ii) the manner in which and schedule upon which the rate is to be adjusted; and  
421 (iii) a maximum rate that the assessment may bear.
- 422 (4) Interest payable on assessments may include:
- 423 (a) interest on assessment bonds;  
424 (b) ongoing local entity costs incurred for administration of the assessment area; and  
425 (c) any costs incurred with respect to:
- 426 (i) securing a letter of credit or other instrument to secure payment or repurchase of  
427 bonds; or  
428 (ii) retaining a marketing agent or an indexing agent.
- 429 (5) Interest imposed in an assessment resolution or ordinance shall be paid in addition  
430 to the amount of each installment annually or at more frequent intervals as provided in the  
431 assessment resolution or ordinance.
- 432 (6) (a) Except for an assessment for operation and maintenance costs or for the costs of  
433 economic promotion activities, a property owner may pay some or all of the entire assessment  
434 without interest if paid within 25 days after the assessment resolution or ordinance takes effect.

435 (b) After the 25-day period stated in Subsection (6)(a), a property owner may at any  
436 time prepay some or all of the assessment levied against the owner's property.

437 (c) A local entity may require a prepayment of an installment to include:

438 (i) an amount equal to the interest that would accrue on the assessment to the next date  
439 on which interest is payable on bonds issued in anticipation of the collection of the assessment;  
440 and

441 (ii) the amount necessary, in the governing body's opinion or the opinion of the officer  
442 designated by the governing body, to assure the availability of money to pay:

443 (A) interest that becomes due and payable on those bonds; and

444 (B) any premiums that become payable on bonds that are called in order to use the  
445 money from the prepaid assessment installment.

446 Section 5. Section **17B-1-102** is amended to read:

447 **17B-1-102. Definitions.**

448 As used in this title:

449 (1) "Appointing authority" means the person or body authorized to make an  
450 appointment to the board of trustees.

451 (2) "Basic local district":

452 (a) means a local district that is not a specialized local district; and

453 (b) includes an entity that was, under the law in effect before April 30, 2007, created  
454 and operated as a local district, as defined under the law in effect before April 30, 2007.

455 (3) "Bond" means:

456 (a) a written obligation to repay borrowed money, whether denominated a bond, note,  
457 warrant, certificate of indebtedness, or otherwise; and

458 (b) a lease agreement, installment purchase agreement, or other agreement that:

459 (i) includes an obligation by the district to pay money; and

460 (ii) the district's board of trustees, in its discretion, treats as a bond for purposes of Title  
461 11, Chapter 14, Local Government Bonding Act, or Title 11, Chapter 27, Utah Refunding Bond  
462 Act.

463 (4) "Cemetery maintenance district" means a local district that operates under and is  
464 subject to the provisions of this chapter and Chapter 2a, Part 1, Cemetery Maintenance District  
465 Act, including an entity that was created and operated as a cemetery maintenance district under

466 the law in effect before April 30, 2007.

467 (5) "Drainage district" means a local district that operates under and is subject to the  
468 provisions of this chapter and Chapter 2a, Part 2, Drainage District Act, including an entity that  
469 was created and operated as a drainage district under the law in effect before April 30, 2007.

470 (6) "Facility" or "facilities" includes any structure, building, system, land, water right,  
471 water, or other real or personal property required to provide a service that a local district is  
472 authorized to provide, including any related or appurtenant easement or right-of-way,  
473 improvement, utility, landscaping, sidewalk, road, curb, gutter, equipment, or furnishing.

474 (7) "Fire protection district" means a local district that operates under and is subject to  
475 the provisions of this chapter and Chapter 2a, Part 3, Fire Protection District Act, including an  
476 entity that was created and operated as a fire protection district under the law in effect before  
477 April 30, 2007.

478 (8) "General obligation bond":

479 (a) means a bond that is directly payable from and secured by ad valorem property  
480 taxes that are:

481 (i) levied:

482 (A) by the district that issues the bond; and

483 (B) on taxable property within the district; and

484 (ii) in excess of the ad valorem property taxes of the district for the current fiscal year;

485 and

486 (b) does not include:

487 (i) a short-term bond;

488 (ii) a tax and revenue anticipation bond; or

489 (iii) a special assessment bond.

490 (9) "Improvement assurance" means a surety bond, letter of credit, cash, or other  
491 security:

492 (a) to guarantee the proper completion of an improvement;

493 (b) that is required before a local district may provide a service requested by a service  
494 applicant; and

495 (c) that is offered to a local district to induce the local district before construction of an  
496 improvement begins to:

- 497 (i) provide the requested service; or
- 498 (ii) commit to provide the requested service.
- 499 (10) "Improvement assurance warranty" means a promise that the materials and
- 500 workmanship of an improvement:
- 501 (a) comply with standards adopted by a local district; and
- 502 (b) will not fail in any material respect within an agreed warranty period.
- 503 (11) "Improvement district" means a local district that operates under and is subject to
- 504 the provisions of this chapter and Chapter 2a, Part 4, Improvement District Act, including an
- 505 entity that was created and operated as a county improvement district under the law in effect
- 506 before April 30, 2007.
- 507 (12) "Irrigation district" means a local district that operates under and is subject to the
- 508 provisions of this chapter and Chapter 2a, Part 5, Irrigation District Act, including an entity that
- 509 was created and operated as an irrigation district under the law in effect before April 30, 2007.
- 510 (13) "Local district" means a limited purpose local government entity, as described in
- 511 Section 17B-1-103, that operates under, is subject to, and has the powers set forth in:
- 512 (a) this chapter; or
- 513 (b) (i) this chapter; and
- 514 (ii) (A) Chapter 2a, Part 1, Cemetery Maintenance District Act;
- 515 (B) Chapter 2a, Part 2, Drainage District Act;
- 516 (C) Chapter 2a, Part 3, Fire Protection District Act;
- 517 (D) Chapter 2a, Part 4, Improvement District Act;
- 518 (E) Chapter 2a, Part 5, Irrigation District Act;
- 519 (F) Chapter 2a, Part 6, Metropolitan Water District Act;
- 520 (G) Chapter 2a, Part 7, Mosquito Abatement District Act;
- 521 (H) Chapter 2a, Part 8, Public Transit District Act;
- 522 (I) Chapter 2a, Part 9, Service Area Act;
- 523 (J) Chapter 2a, Part 10, Water Conservancy District Act;
- 524 (K) Chapter 2a, Part 11, Municipal Services District Act; or
- 525 (L) [~~Chapter 2a, Part 12~~] Title 17D, Chapter 4, Public Infrastructure District Act.
- 526 (14) "Metropolitan water district" means a local district that operates under and is
- 527 subject to the provisions of this chapter and Chapter 2a, Part 6, Metropolitan Water District

528 Act, including an entity that was created and operated as a metropolitan water district under the  
529 law in effect before April 30, 2007.

530 (15) "Mosquito abatement district" means a local district that operates under and is  
531 subject to the provisions of this chapter and Chapter 2a, Part 7, Mosquito Abatement District  
532 Act, including an entity that was created and operated as a mosquito abatement district under  
533 the law in effect before April 30, 2007.

534 (16) "Municipal" means of or relating to a municipality.

535 (17) "Municipality" means a city, town, or metro township.

536 (18) "Municipal services district" means a local district that operates under and is  
537 subject to the provisions of this chapter and Chapter 2a, Part 11, Municipal Services District  
538 Act.

539 (19) "Person" means an individual, corporation, partnership, organization, association,  
540 trust, governmental agency, or other legal entity.

541 (20) "Political subdivision" means a county, city, town, metro township, local district  
542 under this title, special service district under Title 17D, Chapter 1, Special Service District Act,  
543 an entity created by interlocal cooperation agreement under Title 11, Chapter 13, Interlocal  
544 Cooperation Act, or any other governmental entity designated in statute as a political  
545 subdivision of the state.

546 (21) "Private," with respect to real property, means not owned by the United States or  
547 any agency of the federal government, the state, a county, or a political subdivision.

548 (22) "Public entity" means:

549 (a) the United States or an agency of the United States;

550 (b) the state or an agency of the state;

551 (c) a political subdivision of the state or an agency of a political subdivision of the  
552 state;

553 (d) another state or an agency of that state; or

554 (e) a political subdivision of another state or an agency of that political subdivision.

555 (23) "Public infrastructure district" means a local district that operates under and is  
556 subject to the provisions of this chapter and [~~Chapter 2a, Part 12~~] Title 17D, Chapter 4, Public  
557 Infrastructure District Act.

558 (24) "Public transit district" means a local district that operates under and is subject to

559 the provisions of this chapter and Chapter 2a, Part 8, Public Transit District Act, including an  
560 entity that was created and operated as a public transit district under the law in effect before  
561 April 30, 2007.

562 (25) "Revenue bond":

563 (a) means a bond payable from designated taxes or other revenues other than the local  
564 district's ad valorem property taxes; and

565 (b) does not include:

566 (i) an obligation constituting an indebtedness within the meaning of an applicable  
567 constitutional or statutory debt limit;

568 (ii) a tax and revenue anticipation bond; or

569 (iii) a special assessment bond.

570 (26) "Rules of order and procedure" means a set of rules that govern and prescribe in a  
571 public meeting:

572 (a) parliamentary order and procedure;

573 (b) ethical behavior; and

574 (c) civil discourse.

575 (27) "Service applicant" means a person who requests that a local district provide a  
576 service that the local district is authorized to provide.

577 (28) "Service area" means a local district that operates under and is subject to the  
578 provisions of this chapter and Chapter 2a, Part 9, Service Area Act, including an entity that was  
579 created and operated as a county service area or a regional service area under the law in effect  
580 before April 30, 2007.

581 (29) "Short-term bond" means a bond that is required to be repaid during the fiscal year  
582 in which the bond is issued.

583 (30) "Special assessment" means an assessment levied against property to pay all or a  
584 portion of the costs of making improvements that benefit the property.

585 (31) "Special assessment bond" means a bond payable from special assessments.

586 (32) "Specialized local district" means a local district that is a cemetery maintenance  
587 district, a drainage district, a fire protection district, an improvement district, an irrigation  
588 district, a metropolitan water district, a mosquito abatement district, a public transit district, a  
589 service area, a water conservancy district, a municipal services district, or a public

590 infrastructure district.

591 (33) "Taxable value" means the taxable value of property as computed from the most  
592 recent equalized assessment roll for county purposes.

593 (34) "Tax and revenue anticipation bond" means a bond:

594 (a) issued in anticipation of the collection of taxes or other revenues or a combination  
595 of taxes and other revenues; and

596 (b) that matures within the same fiscal year as the fiscal year in which the bond is  
597 issued.

598 (35) "Unincorporated" means not included within a municipality.

599 (36) "Water conservancy district" means a local district that operates under and is  
600 subject to the provisions of this chapter and Chapter 2a, Part 10, Water Conservancy District  
601 Act, including an entity that was created and operated as a water conservancy district under the  
602 law in effect before April 30, 2007.

603 (37) "Works" includes a dam, reservoir, well, canal, conduit, pipeline, drain, tunnel,  
604 power plant, and any facility, improvement, or property necessary or convenient for supplying  
605 or treating water for any beneficial use, and for otherwise accomplishing the purposes of a local  
606 district.

607 Section 6. Section **17B-1-1102** is amended to read:

608 **17B-1-1102. General obligation bonds.**

609 (1) Except as provided in Subsection (3), if a district intends to issue general obligation  
610 bonds, the district shall first obtain the approval of district voters for issuance of the bonds at  
611 an election held for that purpose as provided in Title 11, Chapter 14, Local Government  
612 Bonding Act.

613 (2) General obligation bonds shall be secured by a pledge of the full faith and credit of  
614 the district, subject to:

615 (a) for a water conservancy district, the property tax levy limits of Section  
616 17B-2a-1006; and

617 (b) for a limited tax bond as defined in Section [~~17B-2a-1202~~] 17D-4-102 that a public  
618 infrastructure district issues, the property tax levy limits of Section [~~17B-2a-1209~~] 17D-4-303.

619 (3) A district may issue refunding general obligation bonds, as provided in Title 11,  
620 Chapter 27, Utah Refunding Bond Act, without obtaining voter approval.

621 (4) (a) A local district may not issue general obligation bonds if the issuance of the  
 622 bonds will cause the outstanding principal amount of all of the district's general obligation  
 623 bonds to exceed the amount that results from multiplying the fair market value of the taxable  
 624 property within the district, as determined under Subsection 11-14-301(3)(b), by a number that  
 625 is:

- 626 (i) .05, for a basic local district;
- 627 (ii) .004, for a cemetery maintenance district;
- 628 (iii) .002, for a drainage district;
- 629 (iv) .004, for a fire protection district;
- 630 (v) .024, for an improvement district;
- 631 (vi) .1, for an irrigation district;
- 632 (vii) .1, for a metropolitan water district;
- 633 (viii) .0004, for a mosquito abatement district;
- 634 (ix) .03, for a public transit district;
- 635 (x) .12, for a service area;
- 636 (xi) .05 for a municipal services district; or
- 637 (xii) except for a limited tax bond as defined in Section [~~17B-2a-1202~~] 17D-4-102, .15  
 638 for a public infrastructure district.

639 (b) Bonds or other obligations of a local district that are not general obligation bonds  
 640 are not included in the limit stated in Subsection (4)(a).

641 (5) A district may not be considered to be a municipal corporation for purposes of the  
 642 debt limitation of the Utah Constitution, Article XIV, Section 4.

643 (6) Bonds issued by an administrative or legal entity created under Title 11, Chapter  
 644 13, Interlocal Cooperation Act, may not be considered to be bonds of a local district that  
 645 participates in the agreement creating the administrative or legal entity.

646 Section 7. Section **17D-4-101**, which is renumbered from Section 17B-2a-1201 is  
 647 renumbered and amended to read:

#### 648 **CHAPTER 4. PUBLIC INFRASTRUCTURE DISTRICT ACT**

##### 649 **Part 1. General Provisions**

650 [~~17B-2a-1201~~]. **17D-4-101**. Title.

651 This [~~part~~] chapter is known as the "Public Infrastructure District Act."

652 Section 8. Section **17D-4-102**, which is renumbered from Section 17B-2a-1202 is  
653 renumbered and amended to read:

654 ~~[17B-2a-1202].~~ **17D-4-102. Definitions.**

655 As used in this [part] chapter:

656 (1) "Board" means the board of trustees of a public infrastructure district.

657 (2) "Creating entity" means the county, municipality, or development authority that  
658 approves the creation of ~~[the]~~ a public infrastructure district.

659 (3) "Development authority" means the military installation development authority  
660 created in Section 63H-1-201.

661 (4) "District applicant" means the person proposing the creation of ~~[the]~~ a public  
662 infrastructure district.

663 (5) "Division" means a division of a public infrastructure district:

664 (a) that is relatively equal in number of eligible voters or potential eligible voters to all  
665 other divisions within the public infrastructure district, taking into account existing or potential  
666 developments which, when completed, would increase or decrease the population within the  
667 public infrastructure district; and

668 (b) which a member of the board represents.

669 (6) "Governing document" means the document governing ~~[the]~~ a public infrastructure  
670 district to which the creating entity agrees before the creation of the public infrastructure  
671 district, as amended from time to time, and subject to the limitations of Title 17B, Chapter 1,  
672 Provisions Applicable to All Local Districts, and this [part] chapter.

673 (7) (a) "Limited tax bond" means a bond:

674 (i) that is directly payable from and secured by ad valorem property taxes that are  
675 levied:

676 (A) by ~~[the]~~ a public infrastructure district that issues the bond; and

677 (B) on taxable property within the district;

678 (ii) that is a general obligation of the public infrastructure district; and

679 (iii) for which the ad valorem property tax levy for repayment of the bond does not  
680 exceed the property tax levy rate limit established under Section ~~[17B-2a-1209]~~ 17D-4-303 for  
681 any fiscal year, except as provided in Subsection ~~[17B-2a-1207(8)]~~ 17D-4-301(8).

682 (b) "Limited tax bond" does not include:

- 683 (i) a short-term bond;  
 684 (ii) a tax and revenue anticipation bond; or  
 685 (iii) a special assessment bond.

686 Section 9. Section **17D-4-103**, which is renumbered from Section 17B-2a-1203 is  
 687 renumbered and amended to read:

688 ~~[17B-2a-1203].~~ **17D-4-103. Provisions applicable to public infrastructure**  
 689 **districts.**

690 (1) Each public infrastructure district is governed by and has the powers stated in:

- 691 (a) this ~~[part]~~ chapter; and  
 692 (b) Title 17B, Chapter 1, Provisions Applicable to All Local Districts.

693 (2) This ~~[part]~~ chapter applies only to a public infrastructure district.

694 ~~[(3) A public infrastructure district is not subject to the provisions of any other part of~~  
 695 ~~this chapter.]~~

696 ~~[(4) (3) If there is a conflict between a provision in Title 17B, Chapter 1, Provisions~~  
 697 ~~Applicable to All Local Districts, and a provision in this ~~[part]~~ chapter, the provision in this~~  
 698 ~~[part governs] chapter supersedes the conflicting provision in Title 17B, Chapter 1, Provisions~~  
 699 ~~Applicable to All Local Districts.~~

700 Section 10. Section **17D-4-201**, which is renumbered from Section 17B-2a-1204 is  
 701 renumbered and amended to read:

702 **Part 2. Creation, Governance, and Powers of a Public Infrastructure District**

703 ~~[17B-2a-1204].~~ **17D-4-201. Creation -- Annexation or withdrawal of**  
 704 **property.**

705 (1) (a) Except as provided in Subsection (1)(b), Subsection (2), and in addition to the  
 706 provisions regarding creation of a local district in Title 17B, Chapter 1, Provisions Applicable  
 707 to All Local Districts, a public infrastructure district may not be created unless:

708 (i) if there are any registered voters within the applicable area, a petition is filed with  
 709 the creating entity that contains the signatures of 100% of registered voters within the  
 710 applicable area approving the creation of the public infrastructure district; and

711 (ii) a petition is filed with the creating entity that contains the signatures of 100% of  
 712 surface property owners within the applicable area consenting to the creation of the public  
 713 infrastructure district.

714 (b) Notwithstanding Title 17B, Chapter 1, Part 2, Creation of a Local District, and any  
715 other provision of this [part] chapter, the development authority may adopt a resolution  
716 creating a public infrastructure district as a subsidiary of the development authority if all  
717 owners of surface property proposed to be included within the public infrastructure district  
718 consent in writing to the creation of the public infrastructure district.

719 (2) (a) The following do not apply to the creation of a public infrastructure district:

720 (i) Section 17B-1-203;

721 (ii) Section 17B-1-204;

722 (iii) Subsection 17B-1-208(2);

723 (iv) Section 17B-1-212; or

724 (v) Section 17B-1-214.

725 (b) The protest period described in Section 17B-1-213 may be waived in whole or in  
726 part with the consent of:

727 (i) 100% of registered voters within the applicable area approving the creation of the  
728 public infrastructure district; and

729 (ii) 100% of the surface property owners within the applicable area approving the  
730 creation of the public infrastructure district.

731 (c) If the protest period is waived under Subsection (2)(b), a resolution approving the  
732 creation of the public infrastructure district may be adopted in accordance with Subsection  
733 17B-1-213(5).

734 (d) A petition meeting the requirements of Subsection (1):

735 (i) may be certified under Section 17B-1-209; and

736 (ii) shall be filed with the lieutenant governor in accordance with Subsection  
737 17B-1-215(1)(b)(iii).

738 (3) (a) Notwithstanding Title 17B, Chapter 1, Part 4, Annexation, an area outside of the  
739 boundaries of a public infrastructure district may be annexed into the public infrastructure  
740 district after:

741 (i) (A) adoption of resolutions of the board and the creating entity, each approving of  
742 the annexation; or

743 (B) adoption of a governing document that authorizes the board to annex an area  
744 outside of the boundaries of the public infrastructure district without the consent of the creating

745 entity;

746 (ii) if there are any registered voters within the area proposed to be annexed, a petition  
747 is filed with the creating entity that contains the signatures of 100% of registered voters within  
748 the area [~~and approves of~~], demonstrating that the registered voters approve of the annexation  
749 into the public infrastructure district; and

750 (iii) a petition is filed with the creating entity that contains the signatures of 100% of  
751 surface property owners within the area proposed to be annexed [~~and consents~~], demonstrating  
752 the surface property owners consent to the annexation into the public infrastructure district.

753 (b) Upon meeting the requirements of Subsection (3)(a), the board shall comply with  
754 the resolution and filing requirements of Subsections 17B-1-414(1) and (2).

755 (4) (a) Notwithstanding Title 17B, Chapter 1, Part 5, Withdrawal, property may be  
756 withdrawn from a public infrastructure district after:

757 (i) (A) adoption of resolutions of the board and the creating entity, each approving of  
758 the withdrawal; or

759 (B) adoption of a governing document that authorizes the board to withdraw property  
760 from the public infrastructure district without the consent of the creating entity;

761 (ii) if there are any registered voters within the area proposed to be withdrawn, a  
762 petition is filed with the creating entity that contains the signatures of 100% of registered voters  
763 within the area [~~and approves~~], demonstrating that the registered voters approve of the  
764 withdrawal from the public infrastructure district; and

765 (iii) a petition is filed with the creating entity that contains the signatures of 100% of  
766 surface property owners within the area proposed to be withdrawn [~~and consents~~]  
767 demonstrating that the surface property owners consent to the withdrawal from the public  
768 infrastructure district.

769 (b) If any bonds that the public infrastructure district issues are allocable to the area to  
770 be withdrawn remain unpaid at the time of the proposed withdrawal, the property remains  
771 subject to any taxes, fees, or assessments that the public infrastructure district imposes until the  
772 bonds or any associated refunding bonds are paid.

773 (c) Upon meeting the requirements of Subsections (4)(a) and (b), the board shall  
774 comply with the requirements of Section 17B-1-512.

775 (5) [~~The~~] A creating entity may impose limitations on the powers of [~~the~~] a public

776 infrastructure district through the governing document.

777 (6) (a) A public infrastructure district is separate and distinct from the creating entity.

778 (b) (i) Except as provided in Subsection (6)(b)(ii), any financial burden of a public  
779 infrastructure district:

780 (A) is borne solely by the public infrastructure district; and

781 (B) is not borne by the creating entity, by the state, or by any municipality, county, or  
782 other political subdivision.

783 (ii) Notwithstanding Subsection (6)(b)(i) and Section 17B-1-216, the governing  
784 document may require:

785 (A) the district applicant to bear the initial costs of the public infrastructure district;  
786 and

787 (B) the public infrastructure district to reimburse the district applicant for the initial  
788 costs the creating entity bears.

789 (c) Any liability, judgment, or claim against a public infrastructure district:

790 (i) is the sole responsibility of the public infrastructure district; and

791 (ii) does not constitute a liability, judgment, or claim against the creating entity, the  
792 state, or any municipality, county, or other political subdivision.

793 (d) (i) (A) The public infrastructure district solely bears the responsibility of any  
794 collection, enforcement, or foreclosure proceeding with regard to any tax, fee, or assessment  
795 the public infrastructure district imposes.

796 (B) The creating entity does not bear the responsibility described in Subsection  
797 (6)(d)(i)(A).

798 (ii) A public infrastructure district, and not the creating entity, shall undertake the  
799 enforcement responsibility described in, as applicable, Subsection (6)(d)(i) in accordance with  
800 Title 59, Chapter 2, Property Tax Act, or Title 11, Chapter 42, Assessment Area Act.

801 (7) ~~The~~ A creating entity may establish criteria in determining whether to approve or  
802 disapprove of the creation of a public infrastructure district, including:

803 (a) historical performance of the district applicant;

804 (b) compliance with the creating entity's master plan;

805 (c) credit worthiness of the district applicant;

806 (d) plan of finance of the public infrastructure district; and

807 (e) proposed development within the public infrastructure district.

808 (8) (a) The creation of a public infrastructure district is subject to the sole discretion of  
809 the creating entity responsible for approving or rejecting the creation of the public  
810 infrastructure district.

811 (b) The proposed creating entity bears no liability for rejecting the proposed creation of  
812 a public infrastructure district.

813 Section 11. Section **17D-4-202**, which is renumbered from Section 17B-2a-1205 is  
814 renumbered and amended to read:

815 ~~[17B-2a-1205]~~. **17D-4-202. Public infrastructure district board -- Governing**  
816 **document.**

817 (1) The legislative body or board of the creating entity shall appoint the members of the  
818 board of a public infrastructure district, in accordance with the governing document.

819 (2) (a) Unless otherwise limited in the governing document and except as provided in  
820 Subsection (2)(b), the initial term of each member of the board is four years.

821 (b) Notwithstanding Subsection (2)(a), approximately half of the members of the initial  
822 board shall serve a six-year term so that, after the expiration of the initial term, the term of  
823 approximately half the board members expires every two years.

824 (c) A board may elect that a majority of the board serve an initial term of six years.

825 (d) After the initial term, the term of each member of the board is four years.

826 (3) (a) Notwithstanding Subsection 17B-1-302(1)(b), a board member is not required  
827 to be a resident within the boundaries of the public infrastructure district if:

828 (i) all of the surface property owners consent to the waiver of the residency  
829 requirement;

830 (ii) there are no residents within the boundaries of the public infrastructure district;

831 (iii) no qualified candidate timely files to be considered for appointment to the board;  
832 or

833 (iv) no qualified individual files a declaration of candidacy for a board position in  
834 accordance with Subsection 17B-1-306(4).

835 (b) Except under the circumstances described in Subsection (3)(a)(iii) or (iv), the  
836 residency requirement in Subsection 17B-1-302(1)(b) is applicable to any board member  
837 elected for a division or board position that has transitioned from an appointed to an elected

838 board member in accordance with this section.

839 (c) An individual who is not a resident within the boundaries of the public  
840 infrastructure district may not serve as a board member unless the individual is:

841 (i) an owner of land or an agent or officer of the owner of land within the boundaries of  
842 the public infrastructure district; and

843 (ii) a registered voter at the individual's primary residence.

844 (4) (a) A governing document may provide for a transition from legislative body  
845 appointment under Subsection (1) to a method of election by registered voters based upon  
846 milestones or events that the governing document identifies, including a milestone for each  
847 division or individual board position providing that when the milestone is reached:

848 (i) for a division, the registered voters of the division elect a member of the board in  
849 place of an appointed member at the next municipal general election for the board position; or

850 (ii) for an at large board position established in the governing document, the registered  
851 voters of the public infrastructure district elect a member of the board in place of an appointed  
852 member at the next municipal general election for the board position.

853 (b) Regardless of whether a board member is elected under Subsection (4)(a), the  
854 position of each remaining board member shall continue to be appointed under Subsection (1)  
855 until the member's respective division or board position surpasses the density milestone  
856 described in the governing document.

857 (5) (a) Subject to Subsection (5)(c), the board may, in the board's discretion but no  
858 more frequently than every four years, reestablish the boundaries of each division so that each  
859 division that has reached a milestone specified in the governing document, as described in  
860 Subsection (4)(a), has, as nearly as possible, the same number of eligible voters.

861 (b) In reestablishing division boundaries under Subsection (5)(a), the board shall  
862 consider existing or potential developments within the divisions [~~which~~] that, when completed,  
863 would increase or decrease the number of eligible voters within the division.

864 (c) The governing document may prohibit the board from reestablishing, without the  
865 consent of the creating entity, the division boundaries as described in Subsection (5)(a).

866 (6) [~~The~~] A public infrastructure district may not compensate a board member for the  
867 member's service on the board under Section 17B-1-307 unless the board member is a resident  
868 within the boundaries of the public infrastructure district.

- 869 (7) [~~The~~] A governing document shall:
- 870 (a) include a boundary description and a map of the public infrastructure district;
- 871 (b) state the number of board members;
- 872 (c) describe any divisions of the public infrastructure district;
- 873 (d) establish any applicable property tax levy rate limit for the public infrastructure
- 874 district;
- 875 (e) establish any applicable limitation on the principal amount of indebtedness for the
- 876 public infrastructure district; and
- 877 (f) include other information that the public infrastructure district or the creating entity
- 878 determines to be necessary or advisable.
- 879 (8) (a) Except as provided in Subsection (8)(b), the board and the governing body of
- 880 the creating entity may amend a governing document by each adopting a resolution that
- 881 approves the amended governing document.
- 882 (b) Notwithstanding Subsection (8)(a), any amendment to a property tax levy rate
- 883 limitation requires the consent of:
- 884 (i) 100% of surface property owners within the boundaries of the public infrastructure
- 885 district; and
- 886 (ii) 100% of the registered voters, if any, within the boundaries of the public
- 887 infrastructure district.
- 888 (9) A board member is not in violation of Section 67-16-9 if the board member:
- 889 (a) discloses a business relationship in accordance with Sections 67-16-7 and 67-16-8
- 890 and files the disclosure with the creating entity:
- 891 (i) before any appointment or election; and
- 892 (ii) upon any significant change in the business relationship; and
- 893 (b) conducts the affairs of the public infrastructure district in accordance with this title
- 894 and any parameters described in the governing document.
- 895 (10) Notwithstanding any other provision of this section, the governing document
- 896 governs the number, appointment, and terms of board members of a public infrastructure
- 897 district created by the development authority.
- 898 Section 12. Section **17D-4-203**, which is renumbered from Section 17B-2a-1206 is
- 899 renumbered and amended to read:

900 ~~[17B-2a-1206]~~. 17D-4-203. **Public infrastructure district powers.**

901 In addition to the powers conferred on a public infrastructure district under Section  
902 17B-1-103, a public infrastructure district may:

903 (1) issue negotiable bonds to pay:

904 (a) all or part of the costs of acquiring, acquiring an interest in, improving, or extending  
905 any of the improvements, facilities, or property allowed under Section 11-14-103;

906 (b) capital costs of improvements in an energy assessment area, as defined in Section  
907 11-42a-102, and other related costs, against the funds that the public infrastructure district will  
908 receive because of an assessment in an energy assessment area, as defined in Section  
909 11-42a-102;

910 (c) public improvements related to the provision of housing;

911 (d) capital costs related to public transportation; and

912 (e) for a public infrastructure district created by the development authority, the cost of  
913 acquiring or financing publicly owned infrastructure and improvements;

914 (2) enter into an interlocal agreement in accordance with Title 11, Chapter 13,  
915 Interlocal Cooperation Act, provided that the interlocal agreement may not expand the powers  
916 of the public infrastructure district, within the limitations of Title 11, Chapter 13, Interlocal  
917 Cooperation Act, without the consent of the creating entity;

918 (3) acquire completed or partially completed improvements for fair market value as  
919 reasonably determined by:

920 (a) the board;

921 (b) the creating entity, if required in the governing document; or

922 (c) a surveyor or engineer that a public infrastructure district employs or engages to  
923 perform the necessary engineering services for and to supervise the construction or installation  
924 of the improvements;

925 (4) contract with the creating entity for the creating entity to provide administrative  
926 services on behalf of the public infrastructure district, when agreed to by both parties, in order  
927 to achieve cost savings and economic efficiencies, at the discretion of the creating entity; and

928 (5) for a public infrastructure district created by a development authority:

929 (a) (i) operate and maintain publicly owned infrastructure and improvements the  
930 district acquires or finances; and

931 (ii) use fees, assessments, or taxes to pay for the operation and maintenance of those  
932 publicly owned infrastructure and improvements; and

933 (b) issue bonds under Title 11, Chapter 42, Assessment Area Act.

934 Section 13. Section **17D-4-204**, which is renumbered from Section 17B-2a-1211 is  
935 renumbered and amended to read:

936 ~~[17B-2a-1211]~~. **17D-4-204. Relation to other local entities.**

937 (1) Notwithstanding ~~[the]~~ a creation of the public infrastructure district, the creating  
938 entity and any other public entity, as applicable, retains all of the entity's authority over all  
939 zoning, planning, design specifications and approvals, and permitting within the public  
940 infrastructure district.

941 (2) The inclusion of property within the boundaries of a public infrastructure district  
942 does not preclude the inclusion of the property within any other local district.

943 (3) (a) All infrastructure that is connected to another public entity's system:

944 (i) belongs to that public entity, regardless of inclusion within the boundaries of a  
945 public infrastructure district, unless the public infrastructure district and the public entity  
946 otherwise agree; and

947 (ii) shall comply with the design, inspection requirements, and other standards of the  
948 public entity.

949 (b) ~~[The]~~ A public infrastructure district shall convey or transfer the infrastructure  
950 described in Subsection (3)(a) free of liens or financial encumbrances to the public entity at no  
951 cost to the public entity.

952 Section 14. Section **17D-4-205**, which is renumbered from Section 17B-2a-1212 is  
953 renumbered and amended to read:

954 ~~[17B-2a-1212]~~. **17D-4-205. Transparency.**

955 A public infrastructure district shall file annual reports with the creating entity  
956 regarding the public infrastructure district's actions as provided in the governing document.

957 Section 15. Section **17D-4-301**, which is renumbered from Section 17B-2a-1207 is  
958 renumbered and amended to read:

959 **Part 3. Bond Issuance, Fee Collection, and Property Tax Levy Authority for a**  
960 **Public Infrastructure District**

961 ~~[17B-2a-1207]~~. **17D-4-301. Public infrastructure district bonds.**

- 962 (1) A public infrastructure district may issue negotiable bonds for the purposes  
963 described in Section 17B-2a-1206, as provided in, as applicable:
- 964 (a) Title 11, Chapter 14, Local Government Bonding Act;
  - 965 (b) Title 11, Chapter 27, Utah Refunding Bond Act;
  - 966 (c) Title 11, Chapter 42, Assessment Area Act; and
  - 967 (d) this section.
- 968 (2) A public infrastructure district bond:
- 969 (a) shall mature within 40 years of the date of issuance; and
  - 970 (b) may not be secured by any improvement or facility paid for by the public  
971 infrastructure district.
- 972 (3) (a) A public infrastructure district may issue a limited tax bond, in the same manner  
973 as a general obligation bond:
- 974 (i) with the consent of 100% of surface property owners within the boundaries of the  
975 public infrastructure district and 100% of the registered voters, if any, within the boundaries of  
976 the proposed public infrastructure district; or
  - 977 (ii) upon approval of a majority of the registered voters within the boundaries of the  
978 public infrastructure district voting in an election held for that purpose under Title 11, Chapter  
979 14, Local Government Bonding Act.
- 980 (b) A limited tax bond described in Subsection (3)(a):
- 981 (i) is not subject to the limitation on a general obligation bond described in Subsection  
982 17B-1-1102(4)(a)(xii); and
  - 983 (ii) is subject to a limitation, if any, on the principal amount of indebtedness as  
984 described in the governing document.
- 985 (c) Unless limited tax bonds are initially purchased exclusively by one or more  
986 qualified institutional buyers as defined in Rule 144A, 17 C.F.R. Sec. 230.144A, the public  
987 infrastructure district may only issue limited tax bonds in denominations of not less than  
988 \$500,000, and in integral multiples above \$500,000 of not less than \$1,000 each.
- 989 (d) (i) Without any further election or consent of property owners or registered voters,  
990 a public infrastructure district may convert a limited tax bond described in Subsection (3)(a) to  
991 a general obligation bond if the principal amount of the related limited tax bond together with  
992 the principal amount of other related outstanding general obligation bonds of the public

993 infrastructure district does not exceed 15% of the fair market value of taxable property in the  
994 public infrastructure district securing the general obligation bonds, determined by:

995 (A) an appraisal from an appraiser who is a member of the Appraisal Institute that is  
996 addressed to the public infrastructure district or a financial institution; or

997 (B) the most recent market value of the property from the assessor of the county in  
998 which the property is located.

999 (ii) The consent to the issuance of a limited tax bond described in Subsection (3)(a) is  
1000 sufficient to meet any statutory or constitutional election requirement necessary for the  
1001 issuance of the limited tax bond and any general obligation bond to be issued in place of the  
1002 limited tax bond upon meeting the requirements of this Subsection (3)(d).

1003 (iii) A general obligation bond resulting from a conversion of a limited tax bond under  
1004 this Subsection (3)(d) is not subject to the limitation on general obligation bonds described in  
1005 Subsection 17B-1-1102(4)(a)(xii).

1006 (e) A public infrastructure district that levies a property tax for payment of debt service  
1007 on a limited tax bond issued under this section is not required to comply with the notice and  
1008 hearing requirements of Section 59-2-919 unless the rate exceeds the rate established in:

1009 (i) Section [~~17B-2a-1209~~] 17D-4-303, except as provided in Subsection (8);

1010 (ii) the governing document; or

1011 (iii) the documents relating to the issuance of the limited tax bond.

1012 (4) There is no limitation on the duration of revenues that a public infrastructure  
1013 district may receive to cover any shortfall in the payment of principal of and interest on a bond  
1014 that the public infrastructure district issues.

1015 (5) A public infrastructure district is not a municipal corporation for purposes of the  
1016 debt limitation of Utah Constitution, Article XIV, Section 4.

1017 (6) The board may, by resolution, delegate to one or more officers of the public  
1018 infrastructure district the authority to:

1019 (a) in accordance and within the parameters set forth in a resolution adopted in  
1020 accordance with Section 11-14-302, approve the final interest rate, price, principal amount,  
1021 maturity, redemption features, and other terms of the bond;

1022 (b) approve and execute any document relating to the issuance of a bond; and

1023 (c) approve any contract related to the acquisition and construction of the

1024 improvements, facilities, or property to be financed with a bond.

1025 (7) (a) Any person may contest the legality of the issuance of a public infrastructure  
1026 district bond or any provisions for the security and payment of the bond for a period of 30 days  
1027 after:

1028 (i) publication of the resolution authorizing the bond; or

1029 (ii) publication of a notice of bond containing substantially the items required under  
1030 Subsection 11-14-316(2).

1031 (b) After the 30-day period described in Subsection (7)(a), no person may bring a  
1032 lawsuit or other proceeding contesting the regularity, formality, or legality of the bond for any  
1033 reason.

1034 (8) (a) In the event of any statutory change in the methodology of assessment or  
1035 collection of property taxes in a manner that reduces the amounts which are devoted or pledged  
1036 to the repayment of limited tax bonds, a public infrastructure district may charge a rate  
1037 sufficient to receive the amount of property taxes or assessment the public infrastructure  
1038 district would have received before the statutory change in order to pay the debt service on  
1039 outstanding limited tax bonds.

1040 (b) The rate increase described in Subsection (8)(a) may exceed the limit described in  
1041 Section 17B-2a-1209.

1042 (c) The public infrastructure district may charge the rate increase described in  
1043 Subsection (8)(a) until the bonds, including any associated refunding bonds, or other securities,  
1044 together with applicable interest, are fully met and discharged.

1045 Section 16. Section **17D-4-302**, which is renumbered from Section 17B-2a-1208 is  
1046 renumbered and amended to read:

1047 ~~[17B-2a-1208].~~ **17D-4-302. Fees.**

1048 A public infrastructure district may charge a fee or other charge for an administrative  
1049 service that the public infrastructure district provides, to pay some or all of the public  
1050 infrastructure district's:

1051 (1) costs of acquiring, improving, or extending improvements, facilities, or property; or

1052 (2) costs associated with the enforcement of a legal remedy.

1053 Section 17. Section **17D-4-303**, which is renumbered from Section 17B-2a-1209 is  
1054 renumbered and amended to read:

1055           ~~[17B-2a-1209]~~.           **17D-4-303. Limits on public infrastructure district property**  
1056 **tax levy -- Notice requirements.**

1057           (1) The property tax levy of a public infrastructure district, for all purposes, including  
1058 payment of debt service on limited tax bonds, may not exceed .015 per dollar of taxable value  
1059 of taxable property in the district.

1060           (2) The limitation described in Subsection (1) does not apply to the levy by the public  
1061 infrastructure district to pay principal of and interest on a general obligation bond that the  
1062 public infrastructure district issues.

1063           (3) (a) Within 30 days after the day on which the creating entity adopts the resolution  
1064 creating the public infrastructure district, the board shall record a notice with the recorder of  
1065 the county in which property within the public infrastructure district is located.

1066           (b) The notice described in Subsection (3)(a) shall:

1067           (i) contain a description of the boundaries of the public infrastructure district;

1068           (ii) state that a copy of the governing document is on file at the office of the creating  
1069 entity;

1070           (iii) state that the public infrastructure district may finance and repay infrastructure and  
1071 other improvements through the levy of a property tax; and

1072           (iv) state the maximum rate that the public infrastructure district may levy.

1073           Section 18. Section **17D-4-304**, which is renumbered from Section 17B-2a-1210 is  
1074 renumbered and amended to read:

1075           ~~[17B-2a-1210]~~.           **17D-4-304. Property tax penalty for nonpayment.**

1076           In the event of nonpayment of any tax, fee, or charge that a public infrastructure district  
1077 imposes, the public infrastructure district may impose a property tax penalty at an annual rate  
1078 of .07, in addition to any other lawful penalty for nonpayment of property tax.

1079           Section 19. Section **17D-4-305**, which is renumbered from Section 17B-2a-1213 is  
1080 renumbered and amended to read:

1081           ~~[17B-2a-1213]~~.           **17D-4-305. Action to contest tax, fee, or proceeding --**

1082 **Requirements -- Exclusive remedy -- Bonds, taxes, and fees incontestable.**

1083           (1) A person who contests a tax or fee or any proceeding to create a public  
1084 infrastructure district, levy a tax, or impose a fee may bring a civil action against the public  
1085 infrastructure district or the creating entity to:

- 1086 (a) set aside the proceeding; or
- 1087 (b) enjoin the levy, imposition, or collection of a tax or fee.
- 1088 (2) The person bringing an action described in Subsection (1):
- 1089 (a) shall bring the action in the district court with jurisdiction in the county in which
- 1090 the public infrastructure district is located; and
- 1091 (b) may not bring the action against or serve a summons relating to the action on the
- 1092 public infrastructure district more than 30 days after the effective date of the:
- 1093 (i) creation of the public infrastructure district, if the challenge is to the creation of the
- 1094 public infrastructure district; or
- 1095 (ii) tax or fee, if the challenge is to a tax or fee.
- 1096 (3) An action under Subsection (1) is the exclusive remedy of a person who:
- 1097 (a) claims an error or irregularity in a tax or fee or in any proceeding to create a public
- 1098 infrastructure district, levy a tax, or impose a fee; or
- 1099 (b) challenges a bondholder's right to repayment.
- 1100 (4) After the expiration of the 30-day period described in Subsection (2)(b):
- 1101 (a) a bond issued or to be issued with respect to a public infrastructure district and any
- 1102 tax levied or fee imposed becomes incontestable against any person who has not brought an
- 1103 action and served a summons in accordance with this section;
- 1104 (b) a person may not bring a suit to:
- 1105 (i) enjoin the issuance or payment of a bond or the levy, imposition, collection, or
- 1106 enforcement of a tax or fee; or
- 1107 (ii) attack or question in any way the legality of a bond, tax, or fee; and
- 1108 (c) a court may not inquire into the matters described in Subsection (4)(b).
- 1109 (5) (a) This section does not insulate a public infrastructure district from a claim of
- 1110 misuse of funds after the expiration of the 30-day period described in Subsection (2)(b).
- 1111 (b) (i) Except as provided in Subsection (5)(b)(ii), an action in the nature of mandamus
- 1112 is the sole form of relief available to a party challenging the misuse of funds.
- 1113 (ii) The limitation in Subsection (5)(b)(i) does not prohibit the filing of criminal
- 1114 charges against or the prosecution of a party for the misuse of funds.

1115 Section 20. Section **59-2-1317** is amended to read:

1116 **59-2-1317. Tax notice -- Contents of notice -- Procedures and requirements for**

1117 **providing notice.**

1118 (1) As used in this section, "political subdivision lien" means the same as that term is  
1119 defined in Section 11-60-102.

1120 (2) Subject to the other provisions of this section, the county treasurer shall:

1121 (a) collect the taxes and tax notice charges; and

1122 (b) provide a notice to each taxpayer that contains the following:

1123 (i) the kind and value of property assessed to the taxpayer;

1124 (ii) the street address of the property, if available to the county;

1125 (iii) that the property may be subject to a detailed review in the next year under Section  
1126 59-2-303.1;

1127 (iv) the amount of taxes levied;

1128 (v) a separate statement of the taxes levied only on a certain kind or class of property  
1129 for a special purpose;

1130 (vi) property tax information pertaining to taxpayer relief, options for payment of  
1131 taxes, and collection procedures;

1132 (vii) any tax notice charges applicable to the property, including:

1133 (A) if applicable, a political subdivision lien for road damage that a railroad company  
1134 causes, as described in Section 10-7-30;

1135 (B) if applicable, a political subdivision lien for municipal water distribution, as  
1136 described in Section 10-8-17, or a political subdivision lien for an increase in supply from a  
1137 municipal water distribution, as described in Section 10-8-19;

1138 (C) if applicable, a political subdivision lien for unpaid abatement fees as described in  
1139 Section 10-11-4;

1140 (D) if applicable, a political subdivision lien for the unpaid portion of an assessment  
1141 assessed in accordance with Title 11, Chapter 42, Assessment Area Act, or Title 11, Chapter  
1142 42a, Commercial Property Assessed Clean Energy Act, including unpaid costs, charges, and  
1143 interest as of the date the local entity certifies the unpaid amount to the county treasurer;

1144 (E) if applicable, for a local district in accordance with Section 17B-1-902, a political  
1145 subdivision lien for an unpaid fee, administrative cost, or interest;

1146 (F) if applicable, a political subdivision lien for an unpaid irrigation district use charge  
1147 as described in Section 17B-2a-506;

- 1148 (G) if applicable, a political subdivision lien for a contract assessment under a water  
1149 contract, as described in Section 17B-2a-1007; and
- 1150 (H) if applicable, a property tax penalty that a public infrastructure district imposes, as  
1151 described in Section [~~17B-2a-1210~~] 17D-4-304;
- 1152 (viii) if a county's tax notice includes an assessment area charge, a statement that, due  
1153 to potentially ongoing assessment area charges, costs, penalties, and interest, payment of a tax  
1154 notice charge may not:
- 1155 (A) pay off the full amount the property owner owes to the tax notice entity; or  
1156 (B) cause a release of the lien underlying the tax notice charge;
- 1157 (ix) the date the taxes and tax notice charges are due;  
1158 (x) the street address at which the taxes and tax notice charges may be paid;  
1159 (xi) the date on which the taxes and tax notice charges are delinquent;  
1160 (xii) the penalty imposed on delinquent taxes and tax notice charges;  
1161 (xiii) a statement that explains the taxpayer's right to direct allocation of a partial  
1162 payment in accordance with Subsection (9);  
1163 (xiv) other information specifically authorized to be included on the notice under this  
1164 chapter; and  
1165 (xv) other property tax information approved by the commission.
- 1166 (3) (a) Unless expressly allowed under this section or another statutory provision, the  
1167 treasurer may not add an amount to be collected to the property tax notice.
- 1168 (b) If the county treasurer adds an amount to be collected to the property tax notice  
1169 under this section or another statutory provision that expressly authorizes the item's inclusion  
1170 on the property tax notice:
- 1171 (i) the amount constitutes a tax notice charge; and  
1172 (ii) (A) the tax notice charge has the same priority as property tax; and  
1173 (B) a delinquency of the tax notice charge triggers a tax sale, in accordance with  
1174 Section 59-2-1343.
- 1175 (4) For any property for which property taxes or tax notice charges are delinquent, the  
1176 notice described in Subsection (2) shall state, "Prior taxes or tax notice charges are delinquent  
1177 on this parcel."
- 1178 (5) Except as provided in Subsection (6), the county treasurer shall:

- 1179 (a) mail the notice required by this section, postage prepaid; or  
1180 (b) leave the notice required by this section at the taxpayer's residence or usual place of  
1181 business, if known.
- 1182 (6) (a) Subject to the other provisions of this Subsection (6), a county treasurer may, at  
1183 the county treasurer's discretion, provide the notice required by this section by electronic mail if  
1184 a taxpayer makes an election, according to procedures determined by the county treasurer, to  
1185 receive the notice by electronic mail.
- 1186 (b) A taxpayer may revoke an election to receive the notice required by this section by  
1187 electronic mail if the taxpayer provides written notice to the treasurer on or before October 1.
- 1188 (c) A revocation of an election under this section does not relieve a taxpayer of the  
1189 duty to pay a tax or tax notice charge due under this chapter on or before the due date for  
1190 paying the tax or tax notice charge.
- 1191 (d) A county treasurer shall provide the notice required by this section using a method  
1192 described in Subsection (5), until a taxpayer makes a new election in accordance with this  
1193 Subsection (6), if:
- 1194 (i) the taxpayer revokes an election in accordance with Subsection (6)(b) to receive the  
1195 notice required by this section by electronic mail; or
- 1196 (ii) the county treasurer finds that the taxpayer's electronic mail address is invalid.
- 1197 (e) A person is considered to be a taxpayer for purposes of this Subsection (6)  
1198 regardless of whether the property that is the subject of the notice required by this section is  
1199 exempt from taxation.
- 1200 (7) (a) The county treasurer shall provide the notice required by this section to a  
1201 taxpayer on or before November 1.
- 1202 (b) The county treasurer shall keep on file in the county treasurer's office the  
1203 information set forth in the notice.
- 1204 (c) The county treasurer is not required to mail a tax receipt acknowledging payment.
- 1205 (8) This section does not apply to property taxed under Section 59-2-1302 or  
1206 59-2-1307.
- 1207 (9) (a) A taxpayer who pays less than the full amount due on the taxpayer's property tax  
1208 notice may, on a form provided by the county treasurer, direct how the county treasurer  
1209 allocates the partial payment between:

- 1210 (i) the total amount due for property tax;
- 1211 (ii) the amount due for assessments, past due local district fees, and other tax notice
- 1212 charges; and
- 1213 (iii) any other amounts due on the property tax notice.
- 1214 (b) The county treasurer shall comply with a direction submitted to the county treasurer
- 1215 in accordance with Subsection (9)(a).
- 1216 (c) The provisions of this Subsection (9) do not:
- 1217 (i) affect the right or ability of a local entity to pursue any available remedy for
- 1218 non-payment of any item listed on a taxpayer's property tax notice; or
- 1219 (ii) toll or otherwise change any time period related to a remedy described in
- 1220 Subsection (9)(c)(i).
- 1221 Section 21. Section **63H-1-102** is amended to read:
- 1222 **63H-1-102. Definitions.**
- 1223 As used in this chapter:
- 1224 (1) "Authority" means the Military Installation Development Authority, created under
- 1225 Section 63H-1-201.
- 1226 (2) "Base taxable value" means:
- 1227 (a) for military land or other land that was exempt from a property tax at the time that a
- 1228 project area was created that included the military land or other land, a taxable value of zero; or
- 1229 (b) for private property that is included in a project area, the taxable value of the
- 1230 property within any portion of the project area, as designated by board resolution, from which
- 1231 the property tax allocation will be collected, as shown upon the assessment roll last equalized:
- 1232 (i) before the year in which the authority creates the project area; or
- 1233 (ii) before the year in which the project area plan is amended, for property added to a
- 1234 project area by an amendment to a project area plan.
- 1235 (3) "Board" means the governing body of the authority created under Section
- 1236 63H-1-301.
- 1237 (4) (a) "Dedicated tax collections" means the property tax that remains after the
- 1238 authority is paid the property tax allocation the authority is entitled to receive under Subsection
- 1239 63H-1-501(1), for a property tax levied by:
- 1240 (i) a county, including a district the county has established under Subsection 17-34-3(2)

1241 to levy a property tax under Title 17, Chapter 34, Municipal-Type Services to Unincorporated  
1242 Areas; or

1243 (ii) an included municipality.

1244 (b) "Dedicated tax collections" does not include a county additional property tax or  
1245 multicounty assessing and collecting levy imposed in accordance with Section 59-2-1602.

1246 (5) (a) "Development" means an activity occurring:

1247 (i) on land within a project area that is owned or operated by the military, the authority,  
1248 another public entity, or a private entity; or

1249 (ii) on military land associated with a project area.

1250 (b) "Development" includes the demolition, construction, reconstruction, modification,  
1251 expansion, or improvement of a building, facility, utility, landscape, parking lot, park, trail, or  
1252 recreational amenity.

1253 (6) "Development project" means a project to develop land within a project area.

1254 (7) "Elected member" means a member of the authority board who:

1255 (a) is a mayor or member of a legislative body appointed under Subsection  
1256 63H-1-302(2)(b); or

1257 (b) (i) is appointed to the authority board under Subsection 63H-1-302(2)(a) or (3); and

1258 (ii) concurrently serves in an elected state, county, or municipal office.

1259 (8) "Included municipality" means a municipality, some or all of which is included  
1260 within a project area.

1261 (9) (a) "Military" means a branch of the armed forces of the United States, including  
1262 the Utah National Guard.

1263 (b) "Military" includes, in relation to property, property that is occupied by the military  
1264 and is owned by the government of the United States or the state.

1265 (10) "Military Installation Development Authority accommodations tax" or "MIDA  
1266 accommodations tax" means the tax imposed under Section 63H-1-205.

1267 (11) "Military Installation Development Authority energy tax" or "MIDA energy tax"  
1268 means the tax levied under Section 63H-1-204.

1269 (12) "Military land" means land or a facility, including leased land or a leased facility,  
1270 that is part of or affiliated with a base, camp, post, station, yard, center, or installation under the  
1271 jurisdiction of the United States Department of Defense, the United States Department of

1272 Veterans Affairs, or the Utah National Guard.

1273 (13) "Municipal energy tax" means a municipal energy sales and use tax under Title  
1274 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act.

1275 (14) "Municipal services revenue" means revenue that the authority:

1276 (a) collects from the authority's:

1277 (i) levy of a municipal energy tax;

1278 (ii) levy of a MIDA energy tax;

1279 (iii) levy of a telecommunications tax;

1280 (iv) imposition of a transient room tax; and

1281 (v) imposition of a resort communities tax;

1282 (b) receives under Subsection 59-12-205(2)(b)(ii); and

1283 (c) receives as dedicated tax collections.

1284 (15) "Municipal tax" means a municipal energy tax, MIDA energy tax, MIDA  
1285 accommodations tax, telecommunications tax, transient room tax, or resort communities tax.

1286 (16) "Project area" means the land, including military land, whether consisting of a  
1287 single contiguous area or multiple noncontiguous areas, described in a project area plan or draft  
1288 project area plan, where the development project set forth in the project area plan or draft  
1289 project area plan takes place or is proposed to take place.

1290 (17) "Project area budget" means a multiyear projection of annual or cumulative  
1291 revenues and expenses and other fiscal matters pertaining to a project area that includes:

1292 (a) the base taxable value of property in the project area;

1293 (b) the projected property tax allocation expected to be generated within the project  
1294 area;

1295 (c) the amount of the property tax allocation expected to be shared with other taxing  
1296 entities;

1297 (d) the amount of the property tax allocation expected to be used to implement the  
1298 project area plan, including the estimated amount of the property tax allocation to be used for  
1299 land acquisition, public improvements, infrastructure improvements, and loans, grants, or other  
1300 incentives to private and public entities;

1301 (e) the property tax allocation expected to be used to cover the cost of administering  
1302 the project area plan;

1303 (f) if the property tax allocation is to be collected at different times or from different  
1304 portions of the project area, or both:

1305 (i) (A) the tax identification numbers of the parcels from which the property tax  
1306 allocation will be collected; or

1307 (B) a legal description of the portion of the project area from which the property tax  
1308 allocation will be collected; and

1309 (ii) an estimate of when other portions of the project area will become subject to  
1310 collection of the property tax allocation; and

1311 (g) for property that the authority owns or leases and expects to sell or sublease, the  
1312 expected total cost of the property to the authority and the expected selling price or lease  
1313 payments.

1314 (18) "Project area plan" means a written plan that, after the plan's effective date, guides  
1315 and controls the development within a project area.

1316 (19) (a) "Property tax" includes a privilege tax imposed under Title 59, Chapter 4,  
1317 Privilege Tax, except as described in Subsection (19)(b), and each levy on an ad valorem basis  
1318 on tangible or intangible personal or real property.

1319 (b) "Property tax" does not include a privilege tax on the taxable value:

1320 (i) attributable to a portion of a facility leased to the military for a calendar year when:

1321 (A) a lessee of military land has constructed a facility on the military land that is part of  
1322 a project area;

1323 (B) the lessee leases space in the facility to the military for the entire calendar year; and

1324 (C) the lease rate paid by the military for the space is \$1 or less for the entire calendar  
1325 year, not including any common charges that are reimbursements for actual expenses; or

1326 (ii) of the following property owned by the authority, regardless of whether the  
1327 authority enters into a long-term operating agreement with a privately owned entity under  
1328 which the privately owned entity agrees to operate the property:

1329 (A) a hotel;

1330 (B) a hotel condominium unit in a condominium project, as defined in Section 57-8-3;

1331 and

1332 (C) a commercial condominium unit in a condominium project, as defined in Section  
1333 57-8-3.

1334 (20) "Property tax allocation" means the difference between:

1335 (a) the amount of property tax revenues generated each tax year by all taxing entities  
1336 from the area within a project area designated in the project area plan as the area from which  
1337 the property tax allocation is to be collected, using the current assessed value of the property;  
1338 and

1339 (b) the amount of property tax revenues that would be generated from that same area  
1340 using the base taxable value of the property.

1341 (21) "Public entity" means:

1342 (a) the state, including each department or agency of the state; or

1343 (b) a political subdivision of the state, including a county, city, town, school district,  
1344 local district, special service district, or interlocal cooperation entity.

1345 (22) (a) "Publicly owned infrastructure and improvements" means infrastructure,  
1346 improvements, facilities, or buildings that benefit the public, the authority, the military, or  
1347 military-related entities and are:

1348 (i) publicly owned by the military, the authority, a public infrastructure district under  
1349 [~~Title 17B, Chapter 2a, Part 12~~] Title 17D, Chapter 4, Public Infrastructure District Act, or  
1350 another public entity;

1351 (ii) owned by a utility; or

1352 (iii) publicly maintained or operated by the military, the authority, or another public  
1353 entity.

1354 (b) "Publicly owned infrastructure and improvements" includes:

1355 (i) facilities, lines, or systems that harness geothermal energy or provide water, chilled  
1356 water, steam, sewer, storm drainage, natural gas, electricity, or telecommunications;

1357 (ii) streets, roads, curb, gutter, sidewalk, walkways, solid waste facilities, parking  
1358 facilities, public transportation facilities, and parks, trails, and other recreational facilities;

1359 (iii) snowmaking equipment and related improvements that can also be used for water  
1360 storage or fire suppression purposes; and

1361 (iv) a building and related improvements for occupancy by the public, the authority, the  
1362 military, or military-related entities.

1363 (23) "Remaining municipal services revenue" means municipal services revenue that  
1364 the authority has not:

- 1365 (a) spent during the authority's fiscal year for municipal services as provided in  
1366 Subsection 63H-1-503(1); or
- 1367 (b) redirected to use in accordance with Subsection 63H-1-502(3).
- 1368 (24) "Resort communities tax" means a sales and use tax imposed under Section  
1369 59-12-401.
- 1370 (25) "Taxable value" means the value of property as shown on the last equalized  
1371 assessment roll.
- 1372 (26) "Taxing entity":
- 1373 (a) means a public entity that levies a tax on property within a project area; and  
1374 (b) does not include a public infrastructure district that the authority creates under  
1375 [~~Title 17B, Chapter 2a, Part 12~~] Title 17D, Chapter 4, Public Infrastructure District Act.
- 1376 (27) "Telecommunications tax" means a telecommunications license tax under Title  
1377 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act.
- 1378 (28) "Transient room tax" means a tax under Section 59-12-352.